

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 630 – SB 1258

March 21, 2018

**SUMMARY OF ORIGINAL BILL:** Redefines “device” in the *Tennessee Pharmacy Practice Act* to include the requirement that a device be used to administer a prescription drug.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue - \$38,100/Board of Pharmacy

Other Fiscal Impact – Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Board of Pharmacy had an annual surplus of \$280,085 in FY14-15, an annual surplus of \$885,058 in FY15-16, and a cumulative reserve balance of \$2,236,772 on June 30, 2016.

**SUMMARY OF AMENDMENT (015669):** Deletes all language after the enacting clause. Requires the Board of Pharmacy to promulgate rules regarding the Board’s oversight of facilities that manufacture, warehouse, and distribute medical devices. Requires the rulemaking process to begin no later than September 1, 2018, and to be in accordance with the Uniform Administrative Procedures Act and include the formation of an advisory committee composed of medical device industry representatives and a representative of the Department of Economic and Community Development. Declares the rules are to be reviewed every three years for the purpose of reviewing the advancements of new medical device technologies.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 4-5-205(c), an agency is authorized to appoint committees of experts or interested persons or representatives of the general public to advise it with respect to any contemplated rulemaking. The powers of such committees

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shall be advisory only. The agency may at its election compensate the members of such advisory committees for their services.

- Based on information provided by the Department of Health, the Board of Pharmacy will promulgate the rules during normal board meetings; therefore, any fiscal impact is estimated to be not significant.
- It is assumed the Board of Pharmacy will not compensate the members of the advisory committee for their services; therefore, any fiscal impact is estimated to be not significant.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Board of Pharmacy had an annual surplus of \$885,058 in FY15-16, an annual surplus of \$620,117 in FY16-17, and a cumulative reserve balance of \$2,601,038 on June 30, 2017.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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